

IOWA FINANCE AUTHORITY[265]

Adopted and Filed

Rule making related to using ESG program funds to renovate emergency shelters

The Iowa Finance Authority hereby amends Chapter 42, “Emergency Solutions Grant Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 16.5.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 16.5.

Purpose and Summary

The Authority is the state agency charged with administering the Emergency Solutions Grant (ESG) program, a federal program funded and regulated by the U.S. Department of Housing and Urban Development (HUD). HUD regulations for ESG permit the renovation of emergency shelters for homeless shelters as an eligible activity. Rule 265—42.4(16) sets forth the eligible grant activities under the HUD program. Currently, rule 265—42.4(16), in the shelter category, only permits the operation of emergency shelters and the provision of essential services to homeless families and individuals. Historically, the Authority has received a relatively smaller annual allocation of funds, less than \$3 million per year. In spring and summer 2020, the Authority received two supplemental allocations totaling approximately \$20.9 million as part of the COVID-19 relief package. The Authority is adding renovation as a permitted activity because the need to renovate emergency shelters exists and the allocated funds are sufficient to award grant applications for renovation. The Authority awards funds through a competition and establishes the scoring criteria for prioritized activities for each competition cycle in accordance with funding levels and need. The Authority is also amending rule 265—42.5(16) to update an outdated statutory reference.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on October 7, 2020, as **ARC 5219C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Authority on December 2, 2020.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on February 3, 2021.

The following rule-making actions are adopted:

ITEM 1. Amend rule 265—42.4(16) as follows:

265—42.4(16) Eligible activities. Eligible activities may include only the following:

42.4(1) *Street outreach.* Provision of essential services necessary to reach out to unsheltered homeless people; to connect them with shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access shelter, housing, or an appropriate health facility.

42.4(2) *Shelter.* Provision of essential services to homeless families and individuals in shelters, the renovation of buildings to be used as emergency shelters for homeless families and individuals, and the operation of emergency shelters.

42.4(3) *Prevention of homelessness.* The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to prevent an individual or family from experiencing homelessness.

42.4(4) *Rapid re-housing.* The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to help an individual or family experiencing homelessness to move as quickly as possible into permanent housing and achieve stability in that housing.

42.4(5) *Administrative costs.* A subrecipient may use a portion of a grant received for administrative purposes as determined by IFA. IFA reserves the authority for distribution of administrative funds.

42.4(6) *Homeless Management Information System (HMIS) projects.* IFA may award grants for HMIS implementation to support data collection, reporting, and analysis as long as the total amount of such grants does not exceed 10 percent of the total Emergency Solutions Grant Program allocation. Eligible costs may include equipment, software, services, personnel, space, and operations for HMIS activities. IFA may in its discretion award such a grant, subject to the terms of this subrule, without regard to the application and review provisions of rules 265—42.6(16) and 265—42.7(16). Subrecipients of grants in support of other eligible activities listed in subrules 42.4(1) to 42.4(4) may also use a portion of such grants to support data collection and reporting using the HMIS or comparable database.

ITEM 2. Amend rule 265—42.5(16) as follows:

265—42.5(16) Ineligible activities. As a general rule, any activity that is not authorized under the provisions of ~~P.L. 100-628~~ the HEARTH Act of 2009 is ineligible to be carried out with ESG program funds.

[Filed 12/4/20, effective 2/3/21]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/30/20.